GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2011 REGULAR SESSION

HOUSE BILL NO. 470

FRIDAY, FEBRUARY 25, 2011

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED

DATE *March 16, 2011*

2:26pm

ELAINE N. WALKER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY

1   AN ACT relating to mortgage originator licensing.

2   *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3   ➔Section 1.   KRS 286.8-290 is amended to read as follows:

4   (1)   The following mortgage loan originators shall be subject to subsections (3) and (4)

5   of this section, but shall be exempt from the registration and regulatory

6   requirements of KRS 286.8-255:

7   (a)   An individual employed by the following institutions and acting on behalf of

8   such institutions:

9   1.   A depository institution;

10   2.   A subsidiary that is:

11   a.   Owned and controlled by a depository institution; and

12   b.   Regulated by the Board of Governors of the Federal Reserve

13   System, the Comptroller of the Currency, the Director of the

14   Office of Thrift Supervision, the National Credit Union

15   Administration, or the Federal Deposit Insurance Corporation; or

16   3.   An institution regulated by the Farm Credit Administration;

17   (b)   A licensed attorney who negotiates the terms of a mortgage loan on behalf of a

18   client as an ancillary matter to the attorney's representation of the client,

19   unless the attorney is compensated by a mortgage loan company, mortgage

20   loan broker, or other mortgage loan originator, or by an agent of such

21   company, broker, or other originator;

22   (c)   A natural person who originates a mortgage loan on behalf of an immediate

23   family member of the natural person unless the natural person is compensated

24   in connection with that transaction by a mortgage loan company, mortgage

25   loan broker, or other mortgage loan originator, or by an agent of such

26   company, broker, or other originator;[and]

27   (d)   A natural person who originates a mortgage loan secured by a dwelling that

1   served as the natural person's residence unless the natural person is

2   compensated in connection with that transaction by a mortgage loan company,

3   mortgage loan broker, or other mortgage loan originator, or by an agent of

4   such company, broker, or other originator*; and*

5   *(e)   A person who originates a mortgage loan secured by a dwelling; and*

6   *1.   Who is exempted by an order of the commissioner; and*

7   *2.   Whose exemption would not be contrary to the registration*

8   *requirements of the S.A.F.E. Mortgage Licensing Act, Pub. L. No.*

9   *110-289, and amendments thereto*.

10 (2)   The following mortgage loan processors shall be subject to subsections (3) and (4)

11   of this section, but shall be exempt from the registration and regulatory

12   requirements of KRS 286.8-255:

13   (a)   Any natural person exempted in subsection (1) of this section; and
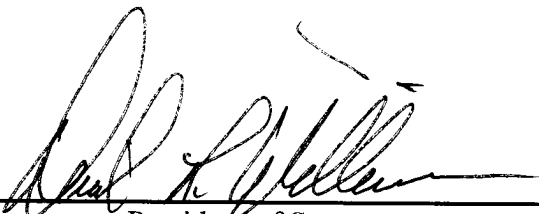
14   (b)   Any natural person employed by a person exempted in KRS 286.8-020(1)(a),

15   (b), (c), (d), (e), (f), or (g) and acting on behalf of such person.

16 (3)   Notwithstanding any provisions to the contrary set forth in this subtitle, no

17   mortgage loan originator or mortgage loan processor shall impede the commissioner

18   or an examiner of the commissioner from interviewing any person regarding any

19   potential violations of this subtitle.
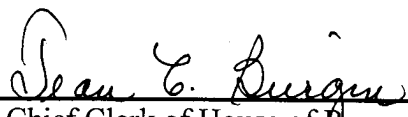
20 (4)   Notwithstanding any provisions to the contrary set forth in this subtitle, every

21   mortgage loan originator and mortgage loan processor shall make available and

22   grant access to the commissioner or an examiner of the commissioner the records in

23   the originator's or processor's possession or control that are subject to the provisions

24   of this subtitle.

_____
Speaker-House of Representatives

_____
President of Senate

Attest: _____
Chief Clerk of House of Representatives

Approved _____
Governor

Date 3-16-11 _____